Credit Analyst interview questions

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What to expect

Credit Analyst interviews mix technical questions about reading financial statements and assigning risk ratings with behavioural questions about judgement calls and compliance. Expect the panel to include a credit manager or senior analyst who will probe how you actually work through a file, not just what qualifications you hold.

- **Technical/analytical:** Questions testing how you read financial statements, calculate serviceability and arrive at a risk rating.
- **Regulatory/compliance:** Questions on responsible lending obligations, internal credit policy and how you handle conflicts between the two.
- **Behavioural:** Past-experience questions about spotting risk, handling disputes or working under deadline pressure.
- **Scenario/judgement:** Hypothetical situations testing how you'd handle ambiguous or incomplete borrower information.
- **Client-facing:** Questions on communicating decisions, particularly declines, to clients or internal stakeholders.

Most interviews for this role run as a single panel session of around 45 minutes to an hour, opening with background and motivation questions, moving into a technical segment (sometimes including a short case study or sample credit file to walk through), then behavioural and scenario questions, and closing with questions about regulatory awareness and your own questions for the panel.

1. Walk me through how you'd assess a business loan application from the financial statements you're given.

Why they ask

This tests your actual process for financial analysis, which is the core task of the role.

How to structure your answer

Process walk-through: state what documents you'd request first, the order you'd review them in, the ratios or figures you'd calculate, and how you'd arrive at a risk rating.

Example answer

"I'd start with the last two to three years of financial statements plus the most recent management accounts, so I can see the trend, not just a single snapshot. I'd check revenue and margin trends first, then move to debt servicing capacity, working out interest cover and cash flow available for repayments after existing commitments. I'd cross-reference the figures against ASIC searches and any credit bureau history to check for undisclosed liabilities or director-related risks. Once I've got a clear picture of serviceability and collateral coverage, I'd assign a risk rating against our internal credit policy and note any conditions I'd recommend attaching to approval."

2. How do you make sure your assessments stay compliant with responsible lending obligations under the NCCP Act?

Why they ask

Regulatory compliance is a core listed task, and lenders need confidence you won't approve something that creates regulatory exposure.

How to structure your answer

Process/compliance walk-through: explain the specific checks you build into your assessment and how you document them.

Example answer

“I treat responsible lending as something to check at each stage, not just a box at the end. I verify income and expenses against actual bank statements rather than relying solely on stated figures, and I document my reasoning for the recommended loan amount and structure so there's a clear record that the borrower can service it without substantial hardship. If something doesn't reconcile, like declared expenses that look low against the applicant's stated lifestyle or dependents, I'll query it directly rather than assume it's fine, and I'll note that query in the file.”

3. Tell me about a time you spotted an early warning sign of default in a loan portfolio you were monitoring.

Why they ask

Portfolio monitoring is one of the listed core tasks, and this checks whether you're proactive rather than reactive.

How to structure your answer

STAR: situation, task, action, result.

Example answer

“I was monitoring a portfolio of commercial loans and noticed one client's turnover, reported in a routine financial update, had dropped noticeably compared to the same period the year before, even though repayments were still being made on time. My task was to decide whether that warranted escalation. I pulled their recent bank statements and found they'd been drawing down cash reserves to cover the gap. I flagged it to the relationship manager with my analysis, and we arranged an early review meeting with the client rather than waiting for a missed payment. The account was restructured with a revised repayment schedule before any default occurred, which avoided a much harder recovery conversation later.”

4. A client's business turnover has dropped since their last review, but they insist their repayment capacity hasn't changed. How do you handle the assessment?

Why they ask

This scenario tests judgement when borrower assurances and the numbers don't fully align, a common situation in ongoing credit review.

How to structure your answer

Judgement under pressure: state what you'd verify first, how you'd balance client relationship against risk, and what recommendation you'd land on.

Example answer

“I wouldn't take the assurance at face value, but I also wouldn't assume the worst without evidence. I'd ask for updated financials and bank statements to see whether the drop in turnover is offset by lower costs or a change in payment timing, and I'd check whether it's an industry-wide trend or specific to this business. If the numbers still show reduced serviceability, I'd say so clearly in my report and recommend either tighter conditions or a shorter review cycle, rather than adjusting my rating to match what the client wants to hear. Being direct about the numbers while explaining my reasoning tends to keep the relationship workable even when the news isn't good.”

5. Describe a time you had to explain a declined or conditionally approved application to a client or relationship manager who disagreed with your assessment.

Why they ask

Credit analysts regularly need to defend recommendations to internal and external stakeholders, so communication under disagreement matters.

How to structure your answer

STAR: situation, task, action, result.

Example answer

“A relationship manager pushed back on a decline I'd recommended for a client with a strong trading history but weak recent cash flow. My task was to explain the risk clearly without making it sound like I was dismissing the relationship's value. I walked the manager through the specific cash flow figures and the covenant breaches that would likely follow if we approved the facility as requested, and I offered an alternative structure with a smaller facility and a covenant review point instead of an outright decline. The manager took that revised structure back to the client, who accepted it, and the loan performed within the agreed terms afterward.”

6. How do you use tools like Excel, Power BI or credit risk software such as Moody's Analytics in your day-to-day work?

Why they ask

Checks practical familiarity with the actual tools listed for this role, beyond just naming them on a resume.

How to structure your answer

Process walk-through: describe a specific task and which tool you'd use for each part of it.

Example answer

“I use Excel for the detailed financial modelling on individual files, building serviceability calculators and sensitivity checks for interest rate or income changes. For portfolio-level monitoring, I rely on Power BI dashboards to track risk rating movements and flag accounts that have shifted category since the last review, which is quicker than working through individual files one by one. Credit risk software like Moody's Analytics comes in for the formal risk rating and probability of default modelling, particularly on larger commercial exposures where I need a more standardised output to sit alongside my own written analysis.”